

State of Rhode Island**PACE State Plan Amendment**

## I. Eligibility

The State determines eligibility for PACE enrollees under rules applying to community groups.

A. x The State determines eligibility for PACE enrollees under rules applying to institutional groups as provided for in section 1902(a)(10)(A)(ii)(VI) of the Act (42 CFR 435.217 in regulations). The State has elected to cover under its State plan the eligibility groups specified under these provisions in the statute and regulations. The applicable groups are:

## Categorically Needy SSI-related Coverage Groups:

- ☐ SSI-related Recipients
- ☐ Deemed SSI Recipients Under 1619(b) of SSA
  - ☐ Pickle Amendment Eligibles
  - ☐ Disabled Adult Children
  - ☐ SSI-eligible Non Cash Recipients
  - ☐ SSI-eligible but for MA Prohibited Rules
  - ☐ State Supplement Recipients Based on 12/73 AABD
  - ☐ Disabled Widowers SSI-ineligible Due to Actuarial Changes
- ☐ Protected Widowers Age 60 through 65
- ☐ Disabled Widow(ers) and Surviving Divorced Spouses Who Lose SSI or SSP
- ☐ Refugee Medical Assistance

## Poverty Level SSI-related Coverage Group:

- ☐ Low-Income Aged and Disabled Individuals

## Medically Needy SSI-related Coverage Groups:

- ☐ Aged, Blind or Disabled Individuals
- ☐ 12/73 Blind or Disabled Individuals

## Special Treatment Coverage Groups:

- ☐ Title XV Coverage Group

(If this option is selected, please identify, by statutory and/or regulatory reference, the institutional eligibility group or groups under which the State determines eligibility for PACE enrollees. Please note that these groups must be covered under the State's Medicaid plan.)

B. \_\_\_\_\_ The State determines eligibility for PACE enrollees under rules applying to institutional groups, but chooses not to apply post-eligibility treatment of income rules to those individuals. (If this option is selected, skip to II - Compliance and State Monitoring of the PACE Program.)

C. x The State determines eligibility for PACE enrollees under rules applying to institutional groups, and applies post-eligibility treatment of income rules to those individuals as specified below. Note that the post-eligibility treatment of income rules specified below are the same as those that apply to the State's approved HCBS waiver(s).

**Regular Post Eligibility**

1. x SSI State. The State is using the post-eligibility rules at 42 CFR 435.726. Payment for PACE services is reduced by the amount remaining after deducting the following amounts from the PACE enrollee's income.

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- (a). Sec. 435.726--States which do not use more restrictive eligibility requirements than SSI.

1. Allowances for the needs of the:

(A.) Individual (check one)

- 1.x The following standard included under the State plan (check one):

(a) \_\_\_\_\_ SSI

(b) \_\_\_\_\_Medically Needy

(c) \_\_\_\_\_The special income level for the institutionalized

(d)   x   Percent of the Federal Poverty  
Level:  100 %

(e)           Other

(specify) : \_\_\_\_\_

- 2.\_\_\_\_\_The following dollar amount: \$\_\_\_\_\_

Note: If this amount changes, this item will be revised.

- 3.\_\_\_\_\_The following formula is used to determine the needs allowance:

Note: If the amount protected for PACE enrollees in item 1 is equal to, or greater than the maximum amount of income a PACE enrollee may have and be eligible under PACE, enter N/A in items 2 and 3.

(B.) Spouse only (check one):

1. \_\_\_\_\_ SSI Standard

- ## 2.\_\_\_\_\_ Optional State Supplement Standard

3. x Medically Needy Income Standard

- 4.\_\_\_\_\_ The following dollar amount: \$\_\_\_\_\_

Note: If this amount changes, this item will be revised.

- 5 .\_\_\_\_ The following percentage of the following standard that is not greater than the standards above: \_\_\_\_% of standard.

- 6.\_\_\_\_\_ The amount is determined using the following formula:

7. Not applicable (N/A)

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(C.) Family (check one):

1. \_\_\_\_\_ AFDC need standard
2. x Medically needy income standard

The amount specified below cannot exceed the higher of the need standard for a family of the same size used to determine eligibility under the State's approved AFDC plan or the medically needy income standard established under 435.811 for a family of the same size.

3. \_\_\_\_\_ The following dollar amount: \$ \_\_\_\_\_  
Note: If this amount changes, this item will be revised.

4. \_\_\_\_\_ The following percentage of the following standard that is not greater than the standards above: \_\_\_\_\_ %  
of \_\_\_\_\_ standard.

5. \_\_\_\_\_ The amount is determined using the following formula:  
\_\_\_\_\_  
\_\_\_\_\_

6. \_\_\_\_\_ Other

7. \_\_\_\_\_ Not applicable (N/A)

(2). Medical and remedial care expenses in 42 CFR 435.726.

**Regular Post Eligibility**

2. \_\_\_\_\_ 209(b) State, a State that is using more restrictive eligibility requirements than SSI. The State is using the post-eligibility rules at 42 CFR 435.735. Payment for PACE services is reduced by the amount remaining after deducting the following amounts from the PACE enrollee's income.

(a) **42 CFR 435.735**--States using more restrictive requirements than SSI.

1. Allowances for the needs of the:

(A.) Individual (check one)

1. \_\_\_\_\_ The following standard included under the State plan (check one):

(a) \_\_\_\_\_ SSI

(b) \_\_\_\_\_ Medically Needy

(c) \_\_\_\_\_ The special income level for the institutionalized

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(d) \_\_\_\_\_Percent of the Federal Poverty  
Level: \_\_\_\_\_%

(e) \_\_\_\_\_Other

(specify): \_\_\_\_\_

2.\_\_\_\_The following dollar amount: \$\_\_\_\_\_

Note: If this amount changes, this item  
will be revised.

3.\_\_\_\_The following formula is used to determine the  
needs allowance:

\_\_\_\_\_  
\_\_\_\_\_

Note: If the amount protected for PACE enrollees in item 1 is **equal to, or greater than** the maximum amount of income a PACE enrollee may have and be eligible under PACE, **enter N/A in items 2 and 3.**

(B.) Spouse only (check one):

1.\_\_\_\_The following standard under 42 CFR 435.121:

2.\_\_\_\_The Medically needy income standard

3.\_\_\_\_The following dollar amount: \$\_\_\_\_\_

Note: If this amount changes, this item  
will be revised.

4.\_\_\_\_The following percentage of the following  
standard that is not greater than the  
standards above: \_\_\_\_\_% of \_\_\_\_\_ standard.

5.\_\_\_\_The amount is determined using the following  
formula:

\_\_\_\_\_  
\_\_\_\_\_

6.\_\_\_\_Not applicable (N/A)

(C.) Family (check one):

1.\_\_\_\_AFDC need standard

2.\_\_\_\_Medically needy income standard

The amount specified below cannot exceed the higher of the need standard for a family of the same size used to determine eligibility under the State's approved AFDC plan or the medically needy income standard established under 435.811 for a family of the same size.

3.\_\_\_\_The following dollar amount: \$\_\_\_\_\_

Note: If this amount changes, this item  
will be revised.

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- 4.\_\_\_\_The following percentage of the following standard that is not greater than the standards above:\_\_\_\_\_% of\_\_\_\_ standard.
- 5.\_\_\_\_The amount is determined using the following formula:  
\_\_\_\_\_  
\_\_\_\_\_
- 6.\_\_\_\_ Other  
7.\_\_\_\_ Not applicable (N/A)
- (b) Medical and remedial care expenses specified in 42 CFR 435.735.

**Spousal Post Eligibility**

- 3.\_\_\_\_State uses the post-eligibility rules of Section 1924 of the Act (spousal impoverishment protection) to determine the individual's contribution toward the cost of PACE services if it determines the individual's eligibility under section 1924 of the Act. There shall be deducted from the individual's monthly income a personal needs allowance (as specified below), and a community spouse's allowance, a family allowance, and an amount for incurred expenses for medical or remedial care, as specified in the State Medicaid plan.

(a.) Allowances for the needs of the:

1. Individual (check one)
- (A).\_\_\_\_The following standard included under the State plan (check one):
1. \_\_\_\_SSI  
2. \_\_\_\_Medically Needy  
3. \_\_\_\_The special income level for the institutionalized  
4. \_\_\_\_Percent of the Federal Poverty Level: \_\_\_\_%  
5. \_\_\_\_Other  
(specify):\_\_\_\_\_
- (B).\_\_\_\_The following dollar amount:  
\$\_\_\_\_\_  
Note: If this amount changes, this item will be revised.

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(C)\_\_\_\_\_The following formula is used to  
determine the needs allowance:

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If this amount is different than the amount used for  
the individual's maintenance allowance under 42 CFR  
435.726 or 42 CFR 435.735, explain why you believe  
that this amount is reasonable to meet the  
individual's maintenance needs in the community:

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**II. Rates and Payments**

A. The State assures HCFA that the capitated rates will be equal to  
or less than the cost to the agency of providing those same fee-  
for-service State plan approved services on a fee-for-service  
basis, to an equivalent non-enrolled population group based upon  
the following methodology. Please attach a description of the  
negotiated rate setting methodology and how the State will  
ensure that rates are less than the cost in fee-for-service.

- 1.\_\_\_\_ Rates are set at a percent of fee-for-service costs
- 2.\_\_\_\_ Experience-based (contractors/State's cost experience  
or encounter date) (please describe)
- 3.\_\_\_\_ Adjusted Community Rate (please describe)
- 4.\_x\_ Other (please describe)

**The Medicaid rate calculation prepared by the state of Rhode Island  
presents the blending based on the observed balance between community  
care and Nursing Home (NH) care in the Medicaid program in 2003 for  
three cohorts: Medicaid only, Duals 55-64 and Duals 65 plus. PMPM  
values were calculated for each of the cohorts and an inflation factor  
was applied to 04, 05 and 06 expenditures. The observed balance  
within the Duals 65 plus population is 78.2% NH and 21.8% community.  
The balance between these two population types is a specific artifact**

of state Medicaid eligibility criteria and the availability of HCBS services. The balance in no way represents a canonical ratio and can lead to the over-weighting of NH cost experience in the rate calculation.

The actual rate assignments are based on the anticipated need for NH care as observed in a PACE-like population. The analysis was applied to Rhode Island Medicaid beneficiaries using data profiles of PACE enrollees according to the PACE national historical mix. The goal of the analysis measured the long-term risk of NH entry in a PACE-like population and to apply this knowledge to profile the characteristics of a Rhode Island PACE program.

The rate was calculated by defining the blend of NF and community care by utilizing the PACE national historical blend of 60/40.

Rates were established for three categories:

Medicaid only:

Duals 55 - 64:

Duals 65+

These rates will be adjusted on an annual basis by either an cost of living inflator, a significant change in actual expenditures or a change in the population blend.

B. The State Medicaid Agency assures that the rates were set in a reasonable and predictable manner. Please list the name, organizational affiliation of any actuary used, and attestation/description for the initial capitation rates.

Using the CY2003 Medicaid claim and eligibility data potential participants of the PACE program were identified. The criteria utilized for the claim extract was the following:

Individuals who were:

- Residents of Nursing Facilities with episodes greater than 3 months duration
- Participants in Rhode Island's HCMS Waiver programs
- Excluding participants of the MR/DD waiver.
- Individuals age 55 and older.

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Claims were divided into the following categories:

Acute Care Hospital	Diagnostic Testing	Mental Health Clinic	Outpatient Hospital/Clinic
Capitation Payment	Home Care/Health	Non-Physician Practitioner	Pharmacy
Cross-Over	Hospice	Nursing Home	Physician
Day Care/Foster Care	Intermediate Care Facility	Other	Rehab./Psych. Hospital
Skilled Nursing Facility	Supplies/DME	Transportation	Waiver Services

Each of the above categories were then divided into the following cohorts:

Medicaid Only	Medicaid NF	Duals HCBS	NF 55-64	Duals NF 65+	Duals HCBS 55-64	Duals HCBS 65+
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These expenditures were adjusted to account for:

- Increased utilization such as assisted living
- Nursing home principles of reimbursement change
- Drug rebates
- Increased utilization of transportation services
- Effective January 1, 2006 the capitation rate will be adjusted since prescriptions will be covered under Part D

C. The State will submit all capitated rates to the HCFA Regional Office for prior approval.

### III. Enrollment and Disenrollment

The State assures that there is a process in place to provide for dissemination of enrollment and disenrollment data between the State and the State Administering Agency. The State assures that it has developed and will implement procedures for the enrollment and disenrollment of participants in the State's management information system, including procedures for any adjustment to account for the difference between the estimated number of participants on which the prospective monthly payment was based and the actual number of participants in that month.





